

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

Current Report
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report: January 3, 2000
(Date of Earliest Event Reported)

HUMANA INC.
(Exact name of Registrant as specified in its Charter)

Delaware
(State of
Incorporation)

1-5975
(Commission
File Number)

61-0647538
(I.R.S. Employer
Tax Identification
No.)

500 West Main Street
Louisville, KY 40202
(Address of principal executive offices)

(502) 580-1000
(Registrant's telephone number, including area code)

Item 5. Other Events

On January 3, 2000, Humana Inc. (the "Company" or "Registrant") issued a press release, a copy of which is attached hereto as Exhibit 99 and is incorporated herein by reference.

Item 7. Financial Statements and Exhibits.

Exhibit 99. Copy of the Company's Press Release dated January 3, 2000.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

HUMANA INC.

BY: Arthur P. Hipwell
Senior Vice President &
General Counsel

Dated: January 3, 2000

Exhibit Index

Exhibit 99. Copy of the Company's Press Release dated January 3, 2000.

Humana Inc.
500 West Main Street
P.O. Box 1438
Louisville, KY 40201-1438
<http://www.humana.com>

news release

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Humana to Sell Workers' Compensation and Medicare Supplemental
Businesses
and Plans 4th Quarter Charge

- Part of company-wide focus on core business
- Proceeds used to reduce debt
- Evaluating goodwill associated with prior acquisitions

LOUISVILLE, KY - January 3, 2000 - Humana Inc. (NYSE: HUM)

announced today that it has reached a definitive agreement to sell its wholly-owned subsidiary, PCA Property & Casualty Insurance Company (PCA P&C) as part of a company-wide focus on core managed care businesses.

Humana has agreed to sell PCA P&C to FolksAmerica Holding Company, Inc. of New York, a subsidiary of Bermuda-based White Mountains Insurance Group, Ltd., for \$125 million in cash. The proceeds of the sale primarily will be used to reduce debt. The sale of the subsidiary is subject to standard regulatory approvals and is expected to close in the first quarter of 2000.

PCA P&C was acquired by Humana in 1997 as part of its acquisition of Physician Corporation of America (PCA). With the integration of the former PCA's managed care operations completed, Humana viewed the PCA workers compensation operation as a non-core asset.

Humana has also reached a definitive agreement to sell its individual Medicare supplemental business to United Teachers Associates Insurance Company of Austin, Tex. The Medicare supplemental product currently serves 42,000 members in 17 states.

"Humana has made measurable progress in the second half of 1999 in improving our profitability," said James E. Murray,

senior vice president and chief financial officer of Humana.

"The decision to sell the workers compensation and Medicare supplemental businesses allows us to focus more effectively on our core health insurance businesses."

Humana also announced it is evaluating the goodwill associated with the company's prior acquisitions including the 1997 purchase of PCA. The company is likely to take a charge in the range of \$400 to \$500 million in the fourth quarter ending December 31, 1999, primarily as a result of its evaluation of goodwill and a loss on the sale of PCA P&C of approximately \$65 million pretax.

"Today's announcements are important steps toward improving the quality of Humana's balance sheet and freeing cash to reduce debt and take advantage of market opportunities," Murray said.

Humana Inc., headquartered in Louisville, Ky., is one of the nation's largest publicly traded managed health care companies with 6 million health plan members primarily in 15 states and Puerto Rico. Humana offers coordinated health care through a variety of delivery systems - health maintenance organizations, preferred provider organizations, point-of-service plans and administrative services products - to employer groups, government-sponsored plans and individuals. Additional information about Humana is available at <http://www.humana.com>.

This press release contains forward-looking information. The forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be significantly impacted by certain risks and uncertainties described in Humana's Annual Report on Form 10-K for the year ended December 31, 1998 and in Humana's Quarterly Reports on Form 10-Q for the quarter ended March 31, June 30, and September 30, 1999, all as filed with the Securities and Exchange Commission.